GOSSIP OF WALL STREET.

Reports of heavy sales of copper for home and foreign consumption and both immediate and future delivery stimulated the market yesterday. Con-tracts for 50,000,000 pounds, according to one report, have been closed in the past or days. Another put the amount at 0.000,000 pounds, and though in some quarwas thought that each estimate might he an exaggeration and though it was realmere fact that substantial sales had been made was considered encouraging. The transactions might mark the turning point the long reaction in the copper trade, ance above and apart' from any question

in the period of prosperity culminating in the boom year of 1906 the activity of the opper trade was one of the most noteworthy New and broader uses for conner ere constantly found, production was extraordinary yet with a demand constantly sceeding the supply-and so important a part did the metal play in the general prosperity that many commentators characterize the period as the copper age. The boom, they say, was the greatest in copper. was perhaps natural that the reacthat branch of trade in which inflation was the greatest. At any rate the first important liquidation was in the copper metal markets, the demand falling off and breaking sharply, while otherwise business remained active, with prices of the other metals holding up, commodities at high price and demand active, the iron and steel business at its greatest volume and railroad earnings advancing.

The reaction in the copper trade is of than two years duration, and yesterday's sales were made at or close to the prices of this period. But substantial esterday's purchases were, there was difference of opinion as to whether or not he activity was likely to continue. Much the buying for foreign account yesterlay, according to some reports, was purely prices, and much of it was considered s a hedge on the part of speculators who sold short latterly in the future market ive buying, the bears said, the trade was e obliged to admit the contention that he day's business, if it showed nothing else, displayed more indications of a turning the trade than has any previous

The brokers who will not be happy unless nauguration of the new Administration attributed part of the activity and strength to the rapidly approaching end of the régime. Stocks were going up, hey said, because there are only two full iness days left of the Administration of tumult and trouble. Others of less buoyspirits held that an upward movement based on a change in administration alone would be of no great substance and com-parable to the boom after election, a boom that lost all its life as soon as the foam was

The decision of the New Jersey Court of Errors in the litigation affecting the Central leather Company and the United States eather Company was followed by sales of Inited States Leather preferred at prices dvancing to 128, a gain of 3 points on the transaction in the stocks for months, but to points. The text of the decision had nt despatches declared it to be favorable tates Leather who refused to surrender he organization of the Central Leather ative and when consents of the great maof the Central Leather people there was due 41% per cent. in back dividends.

ion of the commodities clause case, thich may be expected as regularly as Monent in the noon hour that the decision was tained in the batch handed down the Supreme Court. Reading, which had advanced from 121% to 126, sold off couple of points, but closed the session with little more than 2 points of the loss sus-tained since the break began on the opening market day of last week. Trading in it as much more active than any other and as is the case with any number of the sharp movements in the stock may have been based on no other theory than the old one that it is a speculative favorite because it gives quick and decided action.

Erie's application for a modification of the stringent terms imposed by the up-State Public Service Commission in granting the ad been expected and incited little speculation in the Erie shares. All bankers sav when the restrictions were published that the task of securing the consent of 90 per cent. of the holders of outstanding bonds to any financial plan whatever involved an amount of clerical work very difficult of performance, to say nothing of the other ifficulties arising in explanation of any complicated piece of financing. In the case of the Erie the bonds are widely distributed here and abroad, and on that account the provision seemed all the more unreasonable. In the operation of previous plans for purchasing or funding the coupons, it was said, more than 60 per cent, of the bond-holders have presented their coupons under the plans, and with a change in the required number of consents from 90 per cent. to 40 it was considered certain that the plan would be adopted by the railroad company and be successfully executed.

The final payment was made on the new 000,000 preferred and \$33,000,000 common of the St. Paul and the additional stock will e issued in exchange for the subscription

MONEY AND EXCHANGE.

Call funds on the floor of the Stock Exchange to-day loaned at 2 and 2% per cent, and closed at 2 per cent. The bulk of the business was transacted at 2 per cent. Time money was quiet and easy, with the demand continuing very light. Rates were nichanged at 2%02% per cent, for sixty days, 2%03 per cent, for ninety days and dur months, and 303% per cent, for five and six months. Commercial paper was nioted at 3%04 per cent. for prime single names and indorsed bills receivable; other names, 4%05 per cent.

Sterling exchange was steady to-day with rates to points higher. The market closed

rates 10 points higher. The market closed at 4.8520% 4.8530 for sixty days, 4.8750@4.8750 for demand bills and 4.8785% 4.8795 for cables. Francs were quoted at 5.16% less 3-32% 5.16; less 1-16 and 5.18% less 1-64% 5.18% less 1-16 reichsmarks, 95 1-16 plus 1-64% 95% and 64% less 1-32% 94%.

3) premium.
ev in London, 2½@2% per cent. Rate count in the open market for short and months bills, 2 3-16@2 5-16 per cent, swere anoted at 84½ for money and for account ex interest. Paris cables necount ex interest. Paris cables to price of 3 per cent. rentes at 98 centimes. Private rate of disciplinates. Private rate of disciplinates 23 centimes. Berlin quoted on London at 20 marks 51 pfrs. it of discount, 2/4 per cent. The atement of the Imperial Bank of shows a decrease of 78,007,000 cash on hand, and an increase in discount of 35,800,000 and 54,254,000 storetively.

Clearing House statement: Sanges, Sig., 193, 758; balances, \$12,217, Sub-freasury debit balance, \$1,015,148, On mercial price of bar silver in New 15, 504. Silver in London, 2324d.

Legal Investment for New York and Massachusetts Savings Banks

Illinois Central Railroad Co.

Refunding Mortgage Gold 4s, Due 1955

Information on Request.

Moffat & White

New York City.

CHARTERED 1886 Brooklyn Trust Company

Main Office: 177-179 Montague St. Branch: Bedford Ave. and Fulton St. Manhattan Office: 90 Broadway (2 Wall St.)

Undivided Profits \$2,177,900 Capital \$1,000,000

Thomas T. Barr Samuel W. Boocock George W. Chauncey William N. Dykman William Hester Francis L. Hine Theodore F. Miller, President.

TRUSTEES George G. Reynolds Charles A. Schleren Edward M. Shepard J. H. Wasbridge Alexander M. White Willis D. Wood William A. Jamison Frank Lyman Willis L. Ogden Joseph E. Owens John J. Pierrepont David H. Lanman, Treasurer.

MISCELLANEOUS MARKETS.

ter—Creamery extras, 29c. Cheese—State, f. c., fancy, small, 15c. Eggs—Western firsts, 22/5c. Chicago, March 1.—"Fair support was accorded the hog products list on the small decline, and there was an absence of heavy selling pressure, notwithstanding the news was bearish. Western hog receipts, 15,000 larger than a year ago. Prices were as follows:

Open—High—Low—Clos—Pres.

Lard: ing. 4st. est. ing. Close.

May. 9.70 9.75 9.6714 9.75 9.7214

July 9.8214 9.85 9.80 9.85 9.3214

September 9.95 10.00 9.9214 10.00 9.95

Hibs:
May. 8.9214 8.95 8.90 8.95 8.95

The Metal Market. The market for copper metal developed cidedly better tone. Quotations for the modity were higher both here and abroad York prices were:

MARINE INTELLIGENCE. MINIATURE ALMANAC THIS DAY.

substantial net gain. At the high point Sun rises. 7:02 Sun sets. ... 5:18 Moon sets. . . 5:17 RIGH WATER THIS DAY Hook. 4:20 Gov . Island . 4:52 Hell Gate . . . 6:45 Arrived-Monday, March 1. nattlesnip Anssouri Newport News

U. S. battlesnip Aussouri Newport News, reb. 78.
U. S. battlesnip Ohlo, Newport News, Feb. 28.
Se Noordham, Holterdam, Feb. 20.
Se Minnehabs, London, Feb. 18.
Se Estonia, Libau, Feb. 19.
Se Sasoline, Jan. 26.
Se Star of Soctiand, Barry, Feb. 1.
Se Sasoline, Jaliede, Feb. 18.
Se Chemnitz, Bremen, Feb. 18.
Se Chemnitz, Bremen, Feb. 18.
Se Prince Geo. We, Bernuda, Feb. 27.
Se Marowyne, Barbados, Feb. 22.
Se Marowyne, Barbados, Feb. 22.
Se Maraval, Trinidad, Feb. 20.
Se Coamo, Sail Juan, Feb. 23.
Se Joseph J. Gunco, Port Antonio, Feb. 23.
Se Antilles, Few Orleans, Feb. 24.
Se Orusader, Baltimore, Feb. 27.
Se Manna Pata, Baltimore, Feb. 27.

Ss Hellig Olav, at Christiansand from New ork.
Ss Cedric, at Madeira from New York.
Ss Bermudian, at Bermuda from New York.
Ss Bermudian, at Pavre from New York.
Ss Ceronia at Gibraltar from New York.

ARRIVED OUT.

MAILED PROM POPEIGN PORTS. Sa Seckar, from Gibraltar for New York.
Sa Coppename, from Trinidad for New York.

OUTGOING STEAMSHIPS.
Sail To-day. Mails
(lose.
Kaiser Wilhelm II. Bremen 6.30 A M
Celtic Princess, Pernambuco 12 00 M
Estonia. Rotterdam.
Campania (Ital). Naoles.
Kansas City, Savannah.
Mohawk, Jacksonville.
Sail To-morrow.
Lucania. Liverpool. 6.30 A M

Carmania, Azores
La Touraine, Havre
Nord America, Naples
He d'Italia, Naples
Monierey, Havana
Oscar II, Copenhagen
Privee George, Bermuda
Byron, South Brazil
City of Columbus, Savan'n 9 00 A M / INCOMING STRAMSHIPS.

Due To-day. Liverpooi Puerto Me Para. Curaçoa. London. Antwerp.

Deutschland Koenig Albert Gnesenau Gibraitar Premen Plymouth Bordeaux Gnesenau Pennsylvania Hudson Buffalo Bermudian Manuel Calvo St Patrick

Hull ... Bermuda Havana New Orleans Jacksonville Galveston. By Marconi Wireless. Ss Kroonland, for New York, was 103 miles east of Nantucket lightship at noon vesterday. Ss Iroquois, for New York, was 240 miles east of Sandy Hook at noon.
Ss Narragamett, for New York, was ninety miles southeast of Nantucket at 3 A. M. Live Stock Market.

Coffee Easier Here and in Europe—Previsions Lower—Big Receipts of Hogs.

Under "long," liquidation coffee gave way slightly. European markets were also lower. So was Santos, though Riowas firm. It is a narrow market here. Nobody pretends that it is an interesting affair.

Coffee on the spot was firm and unchanged. Rio No. 7. 8½c. Havre unchanged. Sales, 12,000 bags. Hamburg unchanged. Sales, 12,000 bags. Hamburg unchanged exchange unchanged: receipts, 8,000. Santos unchanged is receipts, 22,000. San Paulo receipts, 22,000. Jundiahy receipts, 12,800 bags. Futures closed standy and generally 5 points lower. Sales, 33,500 bags. Prices were as follows:

March. 7.00 6.85 6.867.00 6.866.85 6.8667.00 follows:

March. 7.00 6.85 6.867.00 6.866.85 6.8667.00 follows:

March. 7.00 6.85 6.867.00 6.866.85 6.8667.00 follows:

March. 7.00 6.85 6.867.00 follows:

March. 7.00 follows:

Mental Here and in Europe—Prevaled including radic covariant and firm at 8610c. per 10; general sales at \$2.50 cm and London cables quoted itve cattle firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the market of the firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the market of the firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the market of the firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the market of the firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the firm at 134 call c. per lb., dressed weight; receipts 29,000. San four new control of the firm steady at 7 (100. per 10. dressed iambs at 11(18)*2c. country dressed houthose lambs slow at \$7.2510 per careass.

Receipts of hogs for two days were 11,328 head, including about 11. cars for the market. Prices 1011 steady at \$8.85(27 per 100 lbs. Country dressed hogs steady.

Seaboard Air Line Railway Atlanta-Birmingham First Mortgage Four Per Cent. Thirty Year Gold Bonds

To the Holders of Certificates of Deposit for above undersigned Committee, bearing date Septem

the bonds represented by the above mentioned Certificates of Deposit, issued by The Stan-dard Trust Company of New York, Deposi-tary, or its Agent, the Bank of Scotland, will be paid on or after March 2, 1909, at the offic of The Standard Trust Company of New York, No. 25 Broad Street, New York City, or of the Bank of Scotland, at its office, London, E. C., to the holders of such Certificates on presentation of their respective Certificates of Deposit for enorsement of such payment thereon.

WILLIAM SALOMON, Chairman; PAUL MORTON, BENJAMIN S. GUNNESS, FREDERICK J. LISMAN,

FREDERICK B. VAN VORST, Committee.
FREDERICK B. VAN VORST, Counsel,
M. V. R. WEYANT, Secretary,
25 Broad Street, New York City.

VIRGINIA CAROLINA CHEMBCAL CO.
NOTICE OF REDEMPTION OF COLLATERAL
TRUST BONDS.
To the Holders of the Five Per Cent. Collateral Trust Sinking Fund Gold Bonds of
Virginia Carolina Chemical Company:
VIRGINIA CAROLINA CHEMICAL COMPANY
hereby gives notice that under and pursuant to
the provisions of the Trust Agreement, dated
October 1, 1902, made between the Virginia Carolma Chemical Company and the Central Trust
Company of New York, Trustee, securing said
hends, it has elected to pay off and redeem the
entire issue of said five per cent. collateral trust
sinking fund gold bonds new outstanding on the
mext interest day, to wit. April 1, 1209, at par, with a
premium of five per cent. (255) and accruded interest to said day, and that interest on the said collateral trust bonds shall crease on said day, and
that it hereby requires that all said collateral
trust bonds outstanding be THEN presented for
payment and redemption accordingly, at the office
of the Central Trust Company of New York, No. M
Wall Street, in the Borough of Manhattan, New
York, N. Y., at which time and place the bonds
presented will be paid at par, with said premium
of five per cent. (55) and accruded interest.

Virginia Carolina Agreement and place the bonds
presented will be paid at par, with said premium
of five per cent. (56) and accruded interest.

Virginia Carolina Agreement and place the bonds
presented will be paid at par, with said premium
of five per cent. (56) and accruded interest.

Virginia Carolina Agreement and place the bonds
presented will be gaid at par, with said premium
of five per cent. (56) and accruded interest.

45 Broadway.

New York, March 1st, 1909.

We beg to announce that the firm of Vaughan

& Huist was dissolved by mutual consent on
February 28th, 1909. Either pariner to sign in
diquidation. W. W. VAUGHAN.

The business will be continued by the under-signed at the same address under the name of Vaughan & Co.

KEANE, ZAYAS & POTTS Members of the New York Stock Exchange, to transact a general stock and bond business at the above address.

JOHN T. REANE.
OCTAVIO A. ZAVAS.
HUGH R. POTTS.
Members of the New York Stock Exchange.

INVESTORS READ The Wall Street Journal

DIVIDENDS AND INTEREST. NEW YORK MORTGAGE AND SECURITY

The Annual Meeting of the Stockholders of the NEW YORK MORTGAGE. AND SECURITY COMPANY for the election of Directors and Inspectors of Election to serve for the succeeding year will be held at the Office of the Company, No. 185 Broadway, New York City, on Monday, the 5th of March, 1909, at 12 o'clock noon.

The stock transfer books of the Company will be closed on March 1, 1909, at 3 P. M., and opened on March 9, 1909, at 10 A. M.

CYRIL H. BURDETT, Secretary.

Dated New York, February 5, 1909.

HOME LIFE INSURANCE COMPANY.
25e Broadway, Borough of Manhattan, City of New York. Election of Directors of this Company to fill the places of those whose term of office then expires will be held at the office of the Company on Wednesday, March 2d, 1909. The soils will be opened at one o'clock and be closed at three o'clock in the afternoon of said day.

E. W. GLADWIN, Vice-President & Secretary. BROOKLYN RAPID TRANSIT COMPANY.

New York, February 5th. 1909.
The Board of Directors has this day declared a dividend of one per centum on the capital stock of this Company, payable April 1st, 1909, to stock-holders of record as the close of business on the 10th day of March, 1909.

C. D. MENFELY, Sec'y & Treas.

DIVIDENDS AND INTEREST. THE DELAWARE & HUDSON COMPANY. THE DELAWARE & BUUDARN COMPANY.

A quarterly dividend of TWO AND ONE-QUARTER (21475) PER CENT on the capital stock of this Company will be paid at the office of the Company. 22 Nassau Streel, in this city, on and after Saturday, March 20, 1809, to Stockholders of record at close of business to day.

By order of the Board of Managers.

CHARLES A, WALKER, Treasurer.

THE PENNSYLVANIA RAILROAD COMPANY.

GENERAL OFFICE, BROAD STREET STATION.

PHILADELPHIA, 2d March, 1909. The Board of Directors submit herewith to the Stockholders of The Pennsylvania Railroad Com pany a synopsis of their Annual Report for the year 1908: The gross earnings of all lines directly operated were..... Hire of equipment, interest General Account, and other items. . . . 2,867.355 40 om this amount the following deductions have been made: Payments account sinking and Trust Funds..... Extraordinary expenditures: Amount expended in revision of grades and alignment, and for Amount applied towards construction of New York Tunnel Exten-8,672,848 81 \$19,534,811 83 18,875,680 50

mount to credit of Profit and Loss, 31st December, 1907 \$24,725,484 36 Deduct debit balances in adjustment of sundry accounts, including discount on sale of securities...... 1.129,815 62

GENERAL BALANCE SHEET. (Condensed.) 31st CHCHMBRR, 1908. LIABILITIES Capital stock.
Funded debt of the Pennsylvania
P. R. Co.
Funded debt of companies whose \$314 604,200 00 Funded debt of the Pennsylvania R. R. Co.
Funded debt of companies whose properties have been acquired by the Pennsylvania R. R. Co.
Guaranteed Stock Trust Certificates, New York, Philadelphia Norfolk R. R. and Philadelphia Wilmington & Baltimore R. R. Co. 5. 34,834,500 00 14,916,250 00

Accounts receivable:
Sale Norfolk and Western stocks,
etc.
Securities received with the lease
of the U. N. J. E. R. and C. Co.
Loans for Construction and Real
Estate purposes to various controlled companies.
New York Tunnel Extension M. R. Co.'s.
Mortgages and Ground Rents payable
Guaranteed stock and bonds of
the Harrisburg, Portsmouth,
Mt. Joy and Lancaster R. R.
Co. 2,924,535 13 CURRENT ASSETS. 1.882,350 00 tion and other pur-poses. Individuals and companies... Due from agents... Dills receivable and miscellaneous assets Materials... Cash... \$3,159,784 10 CLERENT LIABILITIES. Pay rolls and vouch
ers
Die controlled companies other than
traffic balances
Due Saving, Relief
and insurance Fund,
ele 3,397,120 65 10,449,482 67 56,025,897 82 Sinking Funds, Trust Fund, and interest accrued, ma-tured, and uncol-lected, and divi-dends uncollected... Miscellancous liabili-1,276,889 45 3,231,247 89 4.211,496 01

att 250,000.00 par value P. H. & W. R. R. Co. stock is pledged for the payment of the outstandle sock trust certificates issued by Penasylvania Company for Incurances on Lives and Granting mutiles, and \$2,492.780.00 par value N. Y. P. & N. R. R. Co. stock is pledged for the payment of the outstanding stock trust certificates issued by the Fidelity Trust Company.

FUNDED DEBT.

There was an increase of \$38,372,000 in the amount of Consolidated Morigage Bonds, outsianding, due to the issue of \$39,400,000 of those securities, less \$28,000 of those maturing ist May, 1943, which were retired under the Sinking Fund provisions of the mortgage. On your Balance Sheet are also carried \$7,478,250 of Trust Certificates, guaranteed by your Company in connection with the purchase of the stock of the New York. Philadelphis and Norfolk Raliusad Company, and also the bonded debt of the Bald Eagle Valley and Junction Raliroads, which have been absorbed. FUNDED DEBT.

Ragie Valley and Junction Railroads, which have been absorbed.

Eight hundred and forty one thousand dollars of the bonds issued under the General Mortgage of the United Railroad and Canal Companies of New Jersey, and forming a part of the \$20,000,000 secured thereby, having matured lat September, 1908, were paid off and an equal amount of four per cent, bonds of that date, running for forty years, was issued in lieu thereof under the provisions of the mortgage.

SECURITIES OF OTHER CORPORATIONS. The cost of the securities of other corpora-tions held by your Company, 31st December, 1998, was \$232,094,798,96, and the direct revenue received therefrom during the year was \$11,287,-43.88, being 4.86 per cent, upon the cost thereof, he increase in cost is due to the acquisition of the stock of the New York, Philadelphia and forfolk Railroad Company, and to the securities eccived from the Pennsylvania Company on count of its contribution toward the cost of

construction of the New York Tunnel Pyter

Total \$709.443.084.50

\$24,254,800 07

The number of tons of freight moved on the five general divisions east of Pittaburgh and Eric in 1803 was 182,480,361, a decrease of 41,746,713 or 18,62 per cent; the number of passengers was 61,390,533, a decrease of 5,976,300, or 8,87 per cent.

LINES WEST OF PITTSBURGH. CAPITAL STOCK AND FUNDED DEBT.

The Pennsylvania Company acquired by purchase during the year a half interest in the stock of the Lake Erie and Pittsburgh Railway Company, which is constructing a road between Youngstown and Lorain. Ohlo.

Youngstown and Lorain. Onto.

In order to provide for the retirement at maturity, lat August, 1906, of \$1,300,000 of Ashtabula and Pittaburgh Railway six per cent. bonds, and for construction expenditures and other corporate purposes, the Pittaburgh, Youngstown and Ashtabula Railway Company authorized the creation of a first general mortgage to secure a total Issue of \$15,000,000 of bonds, of which a portion of series A, amounting to \$2,000,000, was disposed of on satisfactory terms.

The Vandalla Railroad Company also authorized the sale of \$3,000,000 of its consolidated mortized the sale of \$3,000,000 of its consolidated mortizege four per cent. bonds, Series B. and applied the proceeds thereof to the redemption of \$1,605.000 of the seven per cent. bonds of the indianapolis and Vincennes Railroad Company, one of its constituent companies, which matured ist February, 1908, and toward construction and equipment expenditures and other capital requirements.

GENERAL REMARKS.

In pursuance of the authority conferred by tockholders in March, 1907, an issue o 4:9,400,000 of your Consolidated Mortgage Bonds was made on 1st May, 1908, running for forts years and bearing interest at four per cent. per annum, the issue being made in dollar and sterling bonds in substantially equal amounts.

When the negotiations of these bonds was first considered, the conditions which had forced upon the railways the issue of short term obligations still prevailed to a very large extent. It was not to your advantage to meet capital require-ments by the further issue of temporary obliga-tions at high rates of interest; but it was found to be impracticable to sell the desired amount of bonds in this country, and it was not until English investors had agreed to take one half of the issue that the sale could be consummated. It was not

general interests.

An examination of the Balance Sheet show that the cash in your treasury will in all probability be sufficient to meet the capital renecessary to make timely provision for the secsoary of make their provision for the \$60,000,000 of your short-term notes which mature 15th March, 1910, as well as for the \$20,000,000 of General Mortgage Bonds, which mature 1st July, 1910. The stockholders have already authorized the Board of Directors to increase your capital stock, when in their judgment it the provision of the stockholders and like authorize will be may be advisable; and like authority will be asked as to the indebtedness, at the annual meeting, to the extent of \$60,000,000, in order that the Company may be in a position to meet its mattering obligations, through the issue, at the prene

The industrial depression referred to in the iast Annual Report continued throughout the entire year, and still prevails. Its results are clearly shown in the abnormal decrease both in freight tonnage decreased over eighteen per cent., while your ton mileage and the gross earnings therefrom show a falling off of about twenty one per cent. Your passenger traffic shows a reduc-tion of about ten per cent. in mileage and over seven per cent. in revenue. This necessitated a drastic reduction in expenses in all departments and compelled the discharge of many thousands of your employes, and a material decrease in the

service.

It will be noted that the average rate received for the transportation of passengers was less than two cents per mile. There can be no questions of the control o Chicago, Peoria & St. Louis Railway Company of Illinois.

Coupon No. 18, maturing March 1, 1909, from the Prior Lien Morigage 42°5 Thirty year Gold Bonds of this Company, is payable at the office of Deat, Paimer & Co., 52 William Street, New York City, able compensation for the service performed and for the comforts and facilities furnished.

other Railroad Companies east of Pitts burgh and Erie in which your Company is in-terested show satisfactory results. Detailed statements of their operations will be found in their respective annual reports, as well as in the full report of your Company. CAPITAL EXPENDITURES.

CAPITAL EXPENDITURES.

The amount of Capital Expenditures during the year on the Lines west of Pittsburgh for construction, equipment, and real estate was \$4,990,818.35. The main expenditures were upon additions to and improvements of motive power and equipment; the increase of yard, dock, and other terminal facilities: the construction of second, third and fourth tracks upon the Cleveland and Pittsburgh, and the Pittsburgh, Cincinnati, Chicago, and St. Louis Railways, the elevation of tracks in Chicago, and the purchase of additional real estate and right of way.

TRAFFIC. TRAFFIC.

to the traveling public, in connection therewith or one sufficient to afford a fair return on the capital invested in this branch of their bu this gratifying to note that a more conservative spirit prevails in both the State and National Legislatures in regard to the undue regulation of ratiroads and that the tendency is to defer further legislation until an opportunity I as been afforded to ascertain the practical effect of the laws now in force. This would certain; appear to be wise in the interest of the general public, as those who in good faith invest in such enterprises and from whom the necessary capital must be obtained to enable the railroad companies to furnish the facilities required for the accommodation of the public, cannot reasonably be expecte to continue to make such investments unless they receive the same protection that is accorded the owners of other property.

After meeting all liabilities and paying divi-dends aggregating six per cent., and \$3,799,266.56 be disposed of at a more satisfactory interest rate, but this negotiation marked the return of a more normal market for railway obligations, and in that respect was of material service to your general interests.

An examination 113.29. of which \$3,338,980.92 were applied toward the Extraordinary Expenditures of the year, \$1,000,000 applied toward the cost of the New York Tunnel Extension, and \$659,131.33 credited to your Poofst and Loss Account. The extraordinary expenditure for the year

to your Pnofit and Loss Account.

The extraordinary expenditure for the year was limited to such as was necessary to complete work already under way and was substantially confined to the extension of the four-track aystem on your main line, purchases of right of way for your relief freight lines, the improvement of yards and terminal facilities at various points, the further elimination of grade crossings, and improvement of equipment.

The aggregate expenditures for construction, between New York and Pittsburgh, including \$7,733,725.60 on account of the principal of Carlotts and \$530,000.00 on account of the principal of Carlotts and \$530,000.00 on account of the principal of Carlotts and \$530,000.00 on account of the principal of Carlotts and \$530,000.00 on account of the principal of Carlott and \$53,233,247,46 against the Incine of the year, \$7,333,247,46 against the Extraordinary Expenditure Fund. In view of the usastisfactory operating results of the Western, New York and Pennsylvania Railway, and of the fact that its net earnings were not sufficient to meet the interest on its funded debt, \$365,469.73 the amount advanced to that Company, was falso that good off against the Extraordinary Expenditure Fund.

The progress upon the Tunnel Extension into and through New York City has been very satisfactory feeson to anticipate its completion during the Symmer of 1910.

On the section between the point of connection with your New Jersey Division, at Harrison, east of Newark where the new Transfer yard is being built, for interchange of traffic between the ladvision and the tunnel extension), and the Hudson and concrete lining of the Bergen Hill Tunnels are practically completed. Between the Weethname of the Hackensack River, and the excavation and concrete lining of the Bergen Hill Tunnels are practically completed. Between the Weethname New York Station at Seventh Avenue and

East River, are ready for the laying of the tracks.

The work in Long Island City, embracing the tunnele from the east side of the river to East and Borden Avenues, is finished, and that east of East Avenues, including the approaches is the Sunnyside Yard, and the erection of the sunnyside Yard, and the track laying, signalling, interlocking, and construction of the accessary yard and terminal facilities will be actively prosecuted during the current year, as well as the work on the New York Station.

In view of the fact that this important terminal for the hearts of the fact that this important terminal for the hearts of the sun and Southern Asiants.

of East Avenue, including the approaches to the Sunnyaide Yard, and the erection of the bridges over the same is well under way. The bridges over the same is well under way. The lactivideation of the Tunnel Line, and the track-laying, signalling, interlocking, and construction of the necessary yard and terminal facilities, will be actively prosecuted during the current year, as well as the work on the New York Station.

In view of the fact that this important terminal is for the benefit of the entire Pennsylvania Railroad System, and that the lines West of Pitisburgh will reap a direct advantage thereform, it has been deemed proper that the Pennsylvania Company should participate in the cost thereof. It has therefore contributed \$10,000,000 for that purpose and charged the same against its Profit and Loss Account.

By reference to the General Balance Sheet it will be seen that the total amount carried thereon on account of the New York Tunnel Extension a \$46,325,864.42. Of this amount \$15,000,000 of Philadelphia, masuring its Tunet, 1948, the principal and interest of which were guaranteed by your Company. The net income of the property is sufficient, not only to take the charges to CAPITAL Accounts during the current provide the necessary is sufficient, not only to take the principal and interest of which were ment was therefore made for the purchase thereof was the principal and interest of which were ment was therefore made for the purchase thereof was the principal and interest of which were ment was therefore made for the purchase thereof was the principal and interest of which were ment was therefore made for the purchase thereof was the principal and interest of which were ment was therefore made for the purchase thereof the purchase thereof was the principal and interest of which were ment was therefore made for the purchase thereof the purchase thereof was the principal and interest of which were ment was the provide the mechanism of the provide the mechanism of the provide the mechanism of the provide

COST OF ROAD: Cost of South West Connecting Railway, absorbed .. Cost of Junction Railroad, absorbed...... 975,000.00 Cost of Baid Eagle Valley Railroad, absorbed. Amount transferred from Real Estate account. 4.880,207.52 Cost of additional General Offices transferred Expenditure for Right of Way..... \$2,242,279.93 EQUIPMENT: Portion of payments on account of principal of Car Trust Certificates..... REAL ESTATE: Credits thereto on account of transfer to Cost of Road as above \$4,880,207.52 Sundry other credits \$8,083.00

ed in exchange for Convertible Bonds of 1902... In exchange for Convertible Bonds of 1906.....

JAMES McCREA. President STOCKHOLDERS MAY OBTAIN PAMPHLET COPIES OF THE ANNUAL REPORT.

LEWIS NEILSON, SECRETARY. BROAD STREET STATION. PHILADELHPHIA

American Telephone and Telegraph Co.

CONVERTIBLE FOUR PER CENT. GOLD BONDS

15 Dey Street, NEW YORK, N. Y. February 10, 1909.

TO THE HOLDERS OF CONVERTIBLE FOUR PER CENT. GOLD BONDS OF AMERICAN TELEPHONE AND TELEGRAPH COMPANY:

This Company, under and in pursuance of a Trust Indenture between it and the Old Colony Trust Company, Trustee, dated March 1, 1906, has issued Convertible Four Per Cent Gold Bonds of the aggregate par value of \$150,000,000 Any holder or registered owner of any of said bonds may, on any day after March 1, 1909, and before March 1, 1918, and within such period up to thirty days prior to any date for the redemption of his bonds, which may be named in any call for redemption thereof, convert his bonds at their face value into stock of this Company at such price as such holder or owner may be entitled to claim under the terms of said Trust Indenture.

This Company having sold or issued subsequent to said date of March 1 906, certain shares of its capital stock, the conversion price, in accordance wi the terms of said Trust Indenture, has been reduced to \$133.7374 per chara. calculation of this price has been verified by the Old Colony Trust Company.

Bonds to be surrendered for conversion, with all coupons not then due asse tached, must be presented to either of the following Trust Companies:

> Old Colony Trust Company, Court Street, Boston, Mass.

Manhattan Trust Company, Wall Street, New York, N. Y.

sented by the holder or owner, in the case of bonds deposited with the Manhattan Trust Company, at the office of the Treasurer of this Company, No. 15 Dey Street, New York, N. Y., and in the case of bonds deposited with the Old Colony Trust Company, at the office of the Treasurer of this Company, No. 125 Milk Street. Boston, Mass., and such holder or owner will be entitled to receive. soon as they can be prepared, certificates for the appropriate number of shared of stock and adjustment in cash of the difference between the aggregate par value of the bonds so deposited and the highest multiple of the conversion prices contained therein, upon adjustment also of current or accrued interest and dividends as hereinafter provided.

In adjusting the interest and dividends the following method will be observed: Interest will be calculated from the due date of the last matured coupon to the date of the deposit of the bond, by the usual month and day method, in which the month is reckoned as thirty days. Dividends will be estimated at the usual rate of \$2.00 per share quarterly, and depositors will be charged for the proportionate part of a dividend corresponding with the time which has elapsed fro the last day of the previous calendar quarter year (that is, March 31, June 39, September 30 or December 31, according to the fact) to the date of deposit of said bonds, computed by said usual month and day method.

In case the balance of principal to be adjusted and the accrued interest exceed the portion of dividend computed as above prescribed, the Company will. pay the difference in cash on delivery of the certificates; but, in case the portion of dividend exceeds such balance of principal and the accrued interest, the Conpany will be entitled to receive the difference before making delivery of the certificates.

European holders may deposit their bonds at the office of Mesers. Baring.
Brothers & Company, Limited, No. × Bishopsgate Street, Within, London, E. C. or at the office of Messrs. J. S. Morgan & Co., 22 Old Broad Street, London, E. Chi who will, without charge, transmit the same to America for conversion and the adjustments herein provided. These adjustments will be made as of the date of such deposit. Messrs. Hope & Company, Amsterdam, Holland, will receive bonds. and make such deposit in behalf of Continental holders. THEO. N. VAIL, President

Missouri Pacific Railway

NOTICE OF REDEMPTION

COLLATERAL TRUST CONVERTIBLE NOTES

TO THE HOLDERS OF THE TWO-YEAR COLLATERAL TRUST CONVERTIBLE GOLD NOTES OF THE MISSOURI PACIFIC RAILWAY.

The Missouri Pacific Railway Company hereby gives notice that under the provisions of the The Missouri Pacino Railway Company nervoy gives nouce that under the provisions of the Debit of Trust, dated February 10, 1908, securing these Co listeral Trust Convertible Gold Notes, all of the said Collateral Trust Convertible 6% Gold Notes, with all unmetured coupons thereon, now outstanding, are called for payment and redemption at 101% and accrued interest at the office of the Equitable Trust Company of New York, 15 Nassau street, in New York City, on March 12, 1909, from 10 o'ctebs. A. M. to So'clock P. M. of said day, and that at said time and place bolders of any of said notes with A. M. to 3 o'clock F. M. or said day, and that at said time and piece soughts or any or said notes party present the same for payment of the principal and interest due thereon. On all notes not so not sented for payment interest will cease in accordance with the provisions of said Trust Deed. MISSOURI PACIFIC RAILWAY CO.

H. CALEF. Secretary. New York, N. Y. To the Holders of the

ire to obtain cash for prior to the date of redemption.

\$6,000,000

MISSOURI PACIFIC RAILWAY COMPANY Collateral Trust Convertible 6% Beld Notes, Due Feb. 10, 1910 Referring to the above notice, we are prepared to purchase up to and including March II.

1909, at a price to not us 1% on the investment, such notes as the holders thereof may de-

This offer may be earlier terminated by us without notice. TAILER & CO

GEORGE J. GOULD, P.